

106-0680-
18 March

Chief, Audit Staff

27 March 1956

Chief, Finance Division

Interpretation of ^{25X1A} [] Regarding Insurance on
Government-Owned Vehicles

REF : Memo for General Counsel from C/Audit Staff, dated 19 March
1956, Same Subject

1. Reference discusses the propriety of reimbursement of cost
of insurance on certain vehicles assigned to the []
Office of Operations.

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2. We do not feel that the position of Finance Division in the
matter is entirely clear since, by implication at least, reference seems
to indicate that Finance Division is of the opinion that []
covers reimbursement of cost of insurance for other than quasi-personal
vehicles. Such is not the case. On the contrary, we agree with the
view of the auditor that [] is intended to apply only to quasi-
personal vehicles.

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3. The policy of Finance Division with respect to reimbursement
for cost of insurance is to limit reimbursement for insurance to those
vehicles wherein evidence (i.e., registration certificate, title, etc.)
of the quasi-personal nature of the vehicle is furnished. In any case
wherein registration and/or title indicate government ownership, rein-
bursement of the cost of insurance is denied. Also, only liability,
collision and comprehensive type coverage is considered proper for rea-
bursement. Medical coverage is not considered a properly reimbursable
item and where included as a separate item of coverage is disallowed.
Any payments passed by Finance Division which are not in conformance with
the above policy are considered to be erroneous.

4. We, of course, must rely upon documentary evidence furnished
as the basis for determination as to whether a car is a quasi-personal
vehicle and, therefore, cost of insurance is subject to reimbursement.
We cannot go behind the evidence presented for the purpose of questioning
the need for, nor the propriety of, having treated certain vehicles as
quasi-personal but must rely upon the administrative procedures and
controls of the responsible component and the Office of Logistics.

5. In the circumstances listed by the auditor, it would appear that
the [] should not have registered any of its vehicles as

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quasi-personal. Since such was done, however, we feel that the payment of insurance coverage on such vehicles is proper and consistent with the cover and security considerations in such circumstances.

6. In view of the above, it would appear that rather than a question of authority for payment, the basic question to be resolved is whether treatment of certain [] vehicles as quasi-personal was necessary and proper. If not, and the [] apparently agrees that it is not, then all such vehicles should be treated as government-owned in documentation as well as practice. In such circumstances payment of insurance premiums would not be considered proper by Finance Division.

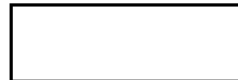
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7. Pending clarification of the status of [] vehicles, the Division is being advised that claims for reimbursement of cost of insurance, including renewal premiums, will not be processed for payment.

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FD/LER:mhp

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